

# Morgan City – Economic Development Update

*July 14, 2015*

*Shayla Hurlbut – Economic Development/Event Coordinator*

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## **Milestones:**

### **Fast Track Grants process – Governor's Office of Economic Development**

In April of this year, a bill was passed which opened up the ability for Morgan City and Morgan County businesses to apply for Fast Track grants, allowing all 5<sup>th</sup> class counties to qualify and be automatically eligible. Fast Track Grants are offered through GOED (Governor's Office of Economic Development) and can assist business owners with up to \$50,000 in matching funds for their business expansion which could include construction, purchasing equipment, and expanding a business. (In previous years, the Morgan County median income disqualified all businesses in Morgan City and Morgan County from applying.) Upon the bill's passage, I've made it my goal to seek out businesses in Morgan City that meet the Fast Track requirements for application which includes:

1. Operating a proven profitable business for 2 years
2. Employs at least 2 full-time employees
3. Seeking to hire a new employee, and willing to pay them 110% of the County Median income
4. Cannot be a retail business

In my research, through BEAR surveys, and also as a result of the Rural Grants & Incentives Town Hall meeting that Morgan City/Morgan County/Northfront Business Resource Center hosted back in May, I've been able to assist with the process of six different businesses for their grant pre-applications and full applications. Currently, we want to celebrate the approval of one of our local businesses, Fairway Glass/ Ryan Nye as a recent recipient of a \$50,000 Fast Track Grant for his business expansion which will take place soon. The other five are in the midst of their approval process and I am involved daily and weekly with communications with different business owners. Our hope is to not only infuse the economy with thousands of dollars through local business expansion, but also to impart new job creation through continued guidance in the Fast Track process, as the hiring at least one new employee is a stipulation for qualification of the Fast Track grant. Furthermore, we also celebrate that the Governor's Office of Rural Development has touted that Morgan City & Morgan County is one of the areas of greatest movement in the Fast Track process across the state.

## **Rural Grants and Incentives Meeting – May 21, 2015**

Morgan City in partnership with Morgan County and the Northfront Business Resource Center hosted a Rural Business Grants and Incentives 'Town Hall' meeting to help educate local business owners on the possible grants and incentives that can be taken advantage of through the Office of Rural development at the Utah Governor's Office of Economic Development (GOED). We had 7+ business owners in attendance as well as representatives from Morgan County, Morgan City and the Northfront Business Resource Center. Other presentations in addition to the GOED Fast TRACK grant presentation were: GOED – Enterprise Zones & Recycling Zones, Department of Workforce Services, World Trade Center Utah and the Small Business Development Center.

## **Enterprise Zones and Recycling Zones**

The Utah Enterprise Zone Program was established in 1988. An enterprise zone comprises an area identified by local elected and economic development officials and designated by the state. Under the program, certain types of businesses locating to, or expanding in a designated zone may claim state income tax credits provided in the law. Earlier this spring, I reapplied for Morgan City's Enterprise Zone status and we were approved. Business owners existing in the current Enterprise Zone (and Recycling Zone) were sent a letter outlining the benefits, including tax credits. The Recycling Zone is currently approved for the same location in Morgan City and also has specific credits that business owners are able to take advantage of. The Recycling and Enterprise Zones are located in Commercial General, Commercial Central, Commercial Highway, and Manufacturing/Distribution.

## **BEAR (Business Expansion and Retention) Surveys**

The BEAR program is provided by the Office of Rural Development of GOED. The objective of this funding is to assist in growing new and existing rural businesses by enhancing the level of technical services provided through the rural BEAR initiative. Through a grant received, the Economic partners of Morgan County, Morgan City and the Northfront Business Resource Center have teamed up to conduct business surveys to find and assist with needs or resources that are needed. I have assisted with Morgan City business surveys which have helped us to gain a better knowledge of their business and the needs that they may have, point them to possible resources, and come along beside them as a partner of encouragement.

## **EdcUtah Grant for Women in Business Luncheon**

The Women in Business luncheons are a monthly training meeting for women entrepreneurs in our Morgan Valley area held at the Northfront Business Resource Center in Morgan. They have

proven to be successful meetings as we watch 10-12 women gather monthly to receive training on their business model, marketing, and managing their businesses. They have forged valuable friendships and mentoring partnerships among each other. Several women have decided to gather at additional times to discuss various strategies and marketing as well. In February of 2015, I applied for and received a grant from EdcUtah (Economic Development Corporation of Utah) for up to \$735 in matching funds to assist with these luncheons for April 2015 – March 2016. These funds help cover the food and assist with travel and honorariums for two upcoming speakers.

### **Grand Openings - New Business development**

There have been 4 Grand Openings of local businesses/organizations in the past couple of months:

1. Tractor Supply
2. Young Dodge
3. Salon Roots
4. Labs for Liberty/Liberty Outpost

### **Commercial Street Market**

The first ever Commercial Street Market was a success in June 2015. The Chamber of Commerce and many volunteers did a great job in making this an event that can benefit the entire community. Due to personal reasons, the main organizer has now stepped down. To keep the event going, the Mayor and I decided that it would be a good move for the City to step up and partner with the Chamber for the implementation and organization of this event. The next Commercial Street Market will be in August.



Join us on

**May 21st @ 6:30 pm**

Morgan City Office (90 W. Young Street, Morgan)  
to learn about

## Rural Business Grants and Incentives

*“What they are and how to take advantage of them”*

Presentation by the

### Governor's Office of Economic Development Office of Rural Development

The Office of Rural Development coordinates with rural jurisdictions and Businesses for community improvements and economic development strategies.

**Other presentations include:** Department of Workforce Services,  
World Trade Center Utah & Small Business Development Center



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# Rural Fast Track Grant

The fastest way for growing companies to receive money.

<http://business.utah.gov/programs/incentives/rural-fast-track/>

A small business:

- in business for at least two years; and
- employing at least 2 full time employees; and
- a proven profitable business can receive a

## 50% matching grant (up to \$50,000)

- 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> class counties are automatically eligible (pop. less than 31,000)  
In 3<sup>rd</sup> class counties, (pop. between 31,000-125,000) business must be located in;
- city with population less than 20,000; and
  - city with less than \$70,000 median house income

This grant can be used for:

- Expanding a business
- Purchasing equipment
- Buying a building

(Retail businesses are not eligible)

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# State Income Tax Credits

available to businesses located in Enterprise and Recycling Zones

## Enterprise Zone Tax Credits:

Job Creation Tax Credit—

- up to **\$2,200 in tax credits for each NEW full time position** filled for at least 6 months during the tax year

Other Tax Credits—

- A tax credit of **25% of the first \$200,000** spent on rehabilitating a building which has been vacant for at least two years which is located within an enterprise zone.
  - An annual investment tax credit of **10% of the first \$250,000** in investment, and **5% of the next \$1,000,000** qualifying investment in plant, equipment, or other depreciable property.
  - A tax credit (not to exceed \$100,000) of **50% of the value of a cash contribution to a 501(c)(3)** private nonprofit corporation engaged primarily in community and economic development, and is accredited by the Governor's Rural Partnership Board.
- (NO retail, construction or public utilities)

**Recycling Zone Tax Credits:** This legislation was established to incent businesses to use recycled materials in their manufacturing

processes and create new products for sale. It also benefits businesses that collect, process and distribute recycled materials.

- **5% state income tax credit on the cost of machinery and equipment**
- **20% state income tax credit (up to \$2,000) on eligible operating expenses**

Examples of eligible activities:

- Commercial composting
- Manufacturing facilities that manufacture, process, compound or produce recycled items of tangible property for sale
- Reduce or reuse of postconsumer waste materials

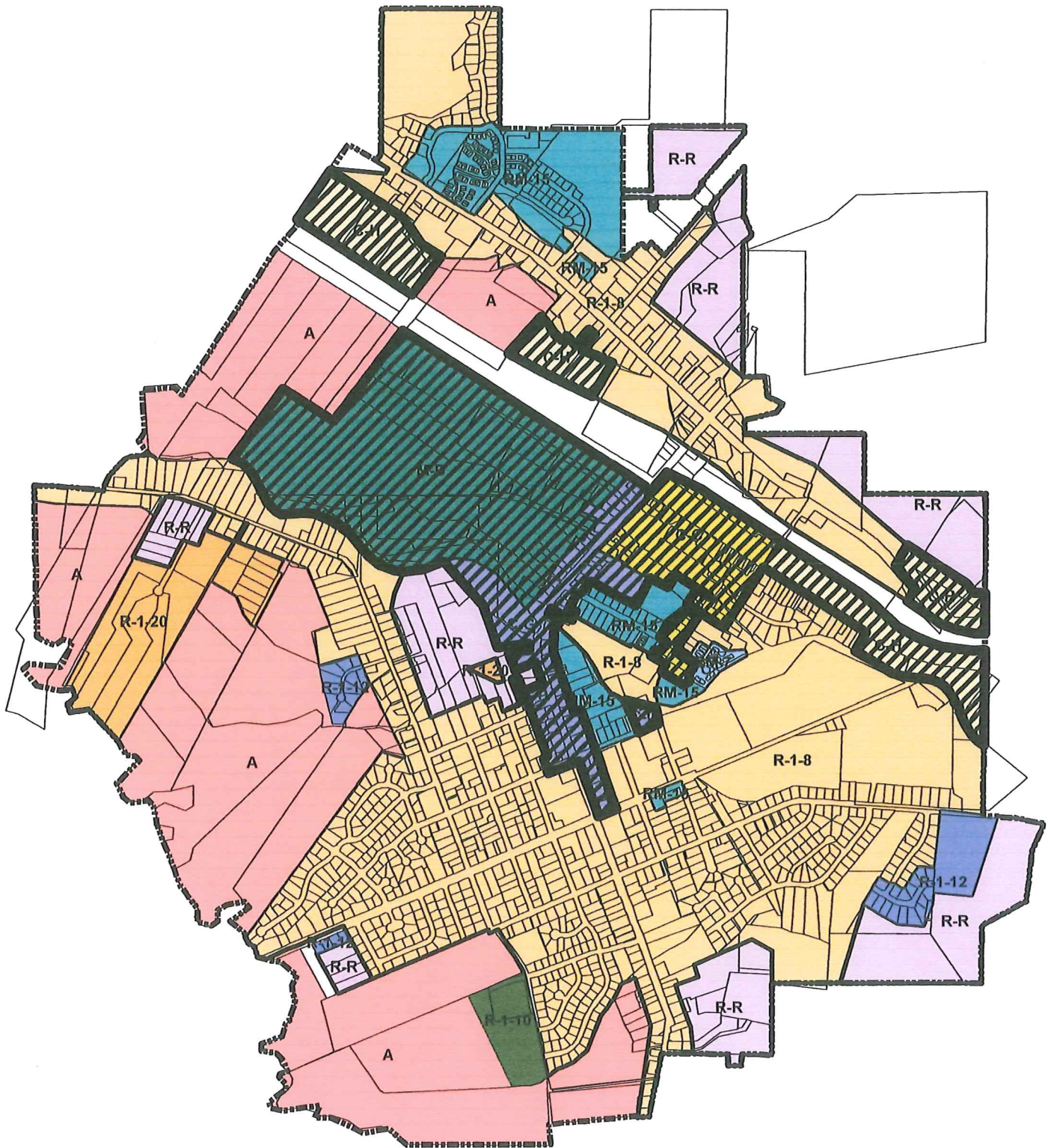


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# Recycling and Enterprise Zones



Enterprise/Recycling Zones